COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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November 30, 2007

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley
Auditor-Controller

SUBJECT: **eCAPS Project Status Report – November 2007**

This project status report is to keep your Board apprised of progress in meeting deliverables and identifying issues that may affect successfully implementing this enterprise-based application (eCAPS / eHR Project). This status report addresses monitoring of the Subproject implementations and completing post-implementation activities for implemented Subprojects. The Chief Information Officer (CIO) is providing project oversight and quality assurance during all phases of the project.

Since the last report, the eCAPS Project has:

- Implemented the Internal Services Department (ISD)-managed Procurement module for all levels of purchasing at ISD and initiated planning for implementation at the Department of Public Works (DPW) and the 20 departments serviced by the Auditor-Controller's Shared Services program;
- Expanded the utilization of the Budget Preparation module to all departments for development of the FY 2008-09 Proposed Budget;
- Implemented the on-line Time Collection module to approximately 3,000 employees and began planning implementation in additional departments;
- Completed the FY 2006-07 annual book closing successfully;
- Continued the implementation of the DPW Replacement of the Financial Accounting System (FAS) and Grant Management Subprojects, and
- Began the design and software development phase for the Human Resource and Talent Management Subprojects.

Project Status

Project Schedule:

The overall project is on schedule for completion by 2012.

The following Subprojects are on target:
- The expansion of the Procurement module to DPW and Shared Services departments (SSD) for July 2008;
- DPW FAS Replacement and Grant Management Subprojects; and
- The Time Collection Subproject implementations for Department of Children and Family Services (DCFS) and SSD are in process.

Two Subprojects are currently behind the original Subproject schedule:
- The design of the Human Resource modules and software modifications is approximately one to two months behind schedule, and
- The Talent Management module is approximately 4 months behind in completing the software functional designs for the new recruitment module. This will move the initial implementation date for Talent Management to November 2008.

Project Within Budget: Yes
Issues Requiring Attention: None requiring Board action
CIO Oversight Concerns: No. Continued monitoring by CIO

Project Accomplishments This Period

The eCAPS Project continues to implement the additional functionality planned for Phase I, Phase II and Phase III. The application is functioning well and the nightly cycle of processing documents is generally stable. The Auditor-Controller, ISD and CGI contracting staffs continue to explore alternatives to improve the nightly cycle processing, shorten the processing time, and extend the availability of the on-line application to users. The Auditor-Controller continues to redirect resources to improve the reporting process and improve the eCAPS capabilities of extracting better information for managing County operations.

Project accomplishments since the last status report include:

- **Application Implementations**
  - **Procurement** – The ISD-managed eCAPS Procurement module was implemented April 2, 2007 to process FY 2007-08 requisitions sent to ISD from all County departments. In July, ISD began to successfully use the new application to process all ISD FY 2007-08 procurement transactions.

- o **Time Collection** – The web-based time collection functionality has been implemented successfully for approximately 3,000 employees at DHS Health Services Administration, part of DCFS, CIO, Military & Veterans Affairs and the Ombudsman.

- **On-going Operations**

  - o **Budget Preparation** – The Chief Executive Office (CEO)-managed Budget Preparation module was expanded to all departments for preparation of the Proposed Budget for FY 2008-09.

  - o **Reporting and Training** – The Auditor-Controller continued training on the use of new data analysis capabilities, using COGNOS cubes and on-line extracts functionality. On-line web-based eCAPS training was conducted in September. New computer based training capabilities, using on-line audio clips and testing, are being incorporated into the time collection training materials.

- **On-going Subprojects**

  - o **DPW Financial Accounting System (FAS) Replacement** – DPW continues to remain on schedule for all aspects of the implementation, such as conversion, interfaces, reporting and training. The Subproject will implement eCAPS financial and time collection functionality in July 2008 and the new grant management module in August 2008.

  - o **Time Collection** – The Time Collection team is working with additional departments in planning the use of the web-based time collection capabilities for their staff. Several of these departments are:

    - DCFS which is planning the rollout to the remainder of their department. Approximately 20% of the staff is currently using the new application.

    - The remaining Shared Services departments are scheduled to be implemented during the next year. Currently the CIO, Military & Veterans Affairs and the Ombudsman use the web-based timecard.

    - Child Support Services Department, Parks & Recreation, Board of Supervisors Executive Office, Department of Public Health, Treasurer and Tax Collector and the Department of Human Resources have all begun planning for implementation.

    - Department of Health Services (DHS) is developing a strategy to expand use of the module beyond Health Services Administration.

o **Human Resources Implementation** – In May 2007, the Board of Supervisors approved Amendment Number 3 to the Service and License Agreement for a phased implementation of the Human Resource modules during a five year period. The first task of the Subproject is completing the software design and development for changes needed to meet the County's business requirements. A number of the proposed modifications are extremely complex and have resulted in a delay in completing the functional designs. The Subproject is approximately one to two months behind the original timetable.

Corrective Action: The Project Team is developing a plan to request additional staff be assigned during the software testing periods in 2008. The staff will be needed for short periods (2 to 3 weeks) when new software is received for County testing. Additional staff involvement will assist in bringing the project plan back on schedule. With the additional resources, CGI and the County will remain on target to incorporate these software modifications into CGI's version 3.8 of the Advantage software scheduled to be released during the fourth quarter of 2008.

o **Talent Management** – As part of the Human Resources implementation, the Kenexa Talent Management module provides web-based functionality for persons applying to County positions both external and internal to the County. The applications incorporate bulletin creation, exam development, testing and scoring / evaluation. This is a countywide implementation and the complexity of developing the application to meet the County's business requirements has resulted in delays. The functional design took approximately four months longer than planned.

Corrective Action: The original project plan anticipated the first implementation to occur in April 2008. Due to the delay in design and the increased complexity of some of the software modifications, the project team presented a revised implementation plan to the eCAPS HR Advisory Committee members that extends the initial implement seven months to November 2008. Given that it did not impact other implementations, this revised timetable was approved.

Planned Activities for Next Reporting Period

The eCAPS Project Team's focus for the next eight-month period is to:

- Implement the Procurement modules for the DPW and the SSD for July 2008;
- Implement the Time Collection functionality at additional departments, including DCFS and Shared Services, to bring the number of employees utilizing the web-based time card to approximately 15,000 employees;
- Begin using the Budget Preparation module for departments preparing the FY 2008-09 Proposed Budget;
- Complete the training and preparation for the replacement of the DPW Financial Accounting System (FAS) by July 2008;
- Complete the software design and development for the Human Resources modules and begin testing of software, as received;
- Begin the development of reports for the Human Resource modules; and
- Complete the software development for the Talent Management application.

Budget/Change Notice

Under the provisions of the original Services and License Agreement, a Contingency Fund was established to allow the Auditor-Controller to purchase more of the same services during the eCAPS Project implementation. The Contingency Fund is used to purchase such items as software modifications, post-implementation support, additional training or other project services. The usage of the Contingency Fund is outlined below:

eCAPS Contingency Fund

Category	Amount
Original Contingency	$ 700,000
Amendment Number 1	$ 4,500,000
Amendment Number 2	$ 1,800,000
Amendment Number 3	$ 3,155,801
Sub-total	$10,155,801
Change Notices (as of November 30, 2007)	($ 6,200,227)
Contingency Balance	$ 3,955,574

Since the April 2007 Board Status Report, Board of Supervisors approved Contract Amendment Number 3 to the Services and License Agreement with CGI increasing the Contingency Fund by $3,155,801 and the eCAPS Advisory Committee has approved four Change Notices totaling $1,428,615 from the Contingency Fund for software modifications.

eCAPS Contract Change Notices

#	Description	Amount
	Total Change Notices reported in April 2007	**$4,771,612**
18	Software modifications for DPW FAS and Time Collection usability	$ 498,875
19	Revised the Procurement tasks to develop material to directly assist departments in implementing the Procurement functionality	$0
20	Software Modifications for human resource modules based on review of Iteration 1 software and an additional license for use of PatternStream for budget book development	$ 532,940
21	Software modifications for Talent Management	$ 396,800
	Sub-total New Change Notices	**$1,428,615**
	Total Change Notices	**$6,200,227**

CIO Oversight Concerns and Recommendations

The benefits of a fully integrated financial and materials management system are beginning to appear with implementation of the financial, budget, purchasing and time collection functionality. The replacement of the DPW FAS application expands the use of the project accounting and cost accounting functionality and fully integrates DPW into the County's financial and purchasing applications.

The full implementation of the County's critical financial, purchasing, time collection and budget functionality increases the need to maintain a stable application with increased availability. The on-going efforts of the Auditor-Controller and ISD to maintain a stable application and improve nightly cycle processing are becoming more critical. The increased transaction volumes, as both DPW is fully integrated and Time Collection functionality expands to other departments, makes this work critical and will be closely monitored during the next year.

The continuing focus on meeting project timetables for software development in the Human Resource and Talent Management areas will require additional support and input from County departments. This will be monitored closely since any additional delays will negatively impact the project timetable and potentially the project budget.

We will continue to monitor Subproject implementations scheduled for procurement, time collection rollout, the DPW FAS Replacement, Human Resource implementation and provide direct assistance wherever possible to ensure that project objectives are met.

JTM:rad

Reviewed by:

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Jon W. Fullinwider
Chief Information Officer

c: Chief Executive Officer
    eCAPS Advisory Committee
    Information Systems Commission
    County Counsel